



Hon. Robert T. Matsui

Member of Congress

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Robert T. Matsui

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IT'S TIME FOR REAL CORPORATE ACCOUNTABILITY LEGISLATION

WASHINGTON, DC—Today, House Republicans are scheduled to take up another meaningless resolution that calls on the Congress to pass their pension reform bill. Unfortunately, the GOP pension reform bill leaves much undone in the effort to ensure corporate accountability and protection for investors and employees. Congressman Robert T. Matsui (D-CA) has introduced a bill that will tackle many of the outstanding issues in corporate accountability. Democrats will use a procedural motion on the House floor in order to raise this bill.

The Matsui bill will take the following steps to improve corporate responsibility:

- **Ending Abusive Deferred Compensation Schemes.** The Matsui bill closes the loopholes that allow companies to provide protected and bankruptcy-proof "deferred compensation" benefits to top executives while rank-and-file employees are left with worthless company stock in their retirement accounts. This will be the third time Democrats will try to get this provision passed in the House.
- **Ensuring that CEOs Play By the Same Rules as Workers.** When executives exercise stock options, they can usually sell their stock with no restrictions. However, many employees are not permitted to sell company stock in their 401(k) plans except under specific conditions. The Democratic bill would impose tax penalties on executives who sell stock they acquire from stock options if the sale violates restrictions rank-and-file employees face on the sale of company stock in their 401(k) plans.
- **Protecting Investors from Excessive CEO Perks.** Recent press coverage has revealed the lavish perks and benefits that some retiring executives enjoy, such as corporate-provided housing, access to corporate jets, reimbursement of living expenses, and tickets to sporting and other entertainment events. This bill would impose tax penalties on corporations providing such perks to retiring executives unless shareholders understand and approve these benefits.

"The Republican pension bill did not go nearly far enough in terms of investor protection, employee fairness, and corporate accountability. Instead of playing meaningless games on the House floor, we should be doing real work on pension security," said Matsui. "The House Republicans should stop playing games and bring up this bill."

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